# WORKFORCE OBSERVATIONS
## FOR SOUTHEAST WISCONSIN COUNTIES
### OCTOBER 2002

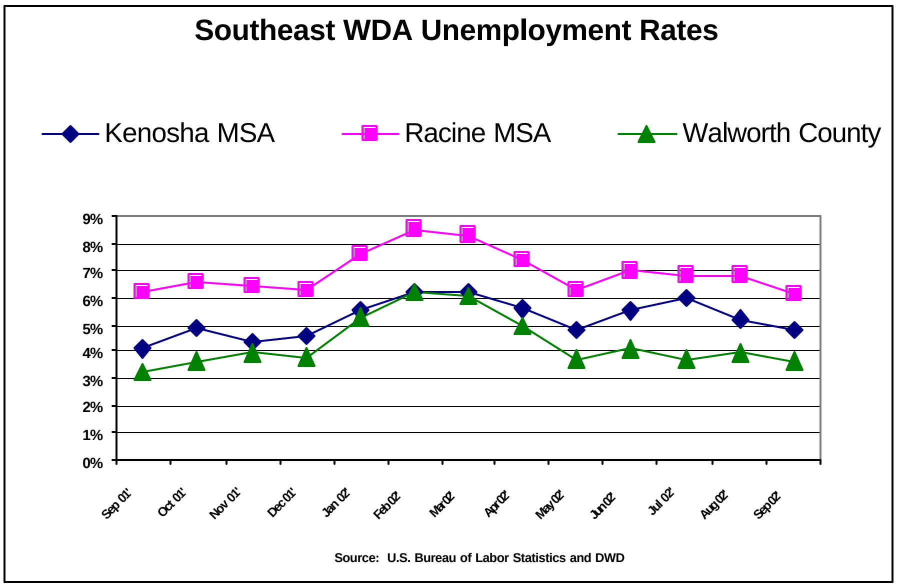
State of Wisconsin
Department of Workforce Development

## Unemployment Rates Drop With a Mixed Review

Unemployment rates decreased in all three, regional counties over the month and even exceeded expectations for the monthly change as well. It may be time to say that 2002 is really giving perspective to how bad 2001 was, but we continue in the belief that hopes of recovery are being very stubborn at the moment and not giving way soon enough.

The **Kenosha MSA** not seasonally adjusted unemployment rate decreased five-tenths of a percentage point to 4.8 percent in September, brought on by the great combination of more people employed and fewer unemployed. This is a logical scenario for decreasing unemployment rates, though not always the case as will be shown in the other regional counties. Kenosha County continues to maintain an unemployment rate that is higher than year-ago figures, up seven-tenths of a point from September 2001.

Industry employment data seems to be fairly average for this time of year and the monthly change showed the expected increase though not at the same magnitude as years before. Kenosha County added 820 more jobs, net, since August. The center of this spike is in government (720 jobs), namely school employment. Services employment also spiked 320 jobs over the month, which is a high increase for this month, and is the second year in a row to see such fairly high increase. Manufacturing saw a slight decrease over the month by about 20 jobs in durable goods production showing a slight loss in fabricated metal products. Annually, Kenosha gained 420 total jobs, a smaller than one percent increase, which is definitely restrained growth; evidence that employers are definitely scrutinizing any expansion and hiring plans until the economy has given them the green light to do so. The losses were completely tied to manufacturing and peripheral industries such as business services and wholesale trade. The majority of services-producing industries gained employment over the year., and a goods producer, construction, "pound for pound" has shown the greatest yearly increase , up 21 percent.




Source: U.S. Bureau of Labor Statistics and DWD

The not seasonally adjusted unemployment rate for the **Racine MSA** decreased by seven-tenths of a point to 6.2 percent. This was a faster decrease than what is usually the case for September, but the labor force dynamics have exhibited expected seasonality meaning fewer employed and fewer unemployed over the month. In short, this means that many people leave the labor force in the month of September and did so at a faster clip this September. This is not unusual to see such labor force decreases in September, nor is this unique to Racine County. One of the explanations for this decrease in the labor force is the number of college and high school students returning to school and leaving their summer jobs back at home or on hiatus until next summer. The unemployment rate is unchanged from September 2001.

What is ironic, verging upon paradoxical, is that the industry data will show net employment increases due to the school year starting and to a lesser degree will show losses associated as well; the loss of summer workers. This, again, in the face of a monthly labor force that shows a net decrease. Racine County only shows 20 fewer jobs, net, over the month despite almost every industry losing some employment. The net decrease was largely offset by a sizeable gain in school employment (local government). Manufacturing seems to be holding fairly steady on a monthly basis as of late. The annual picture shows 780 additional jobs, mostly in services and government employment. Only two industries show an annual deficit and the largest is in wholesale trade, down 360 jobs. This is juxtaposed to a smaller yearly decrease in manufacturing of 60 jobs. Perhaps the moderation and less volatile manufacturing employment will eventually help to bolster wholesale trade employment down the road.

**Walworth County's** unemployment rate, 3.6 percent, is three tenths of a point lower than in August. Walworth shows almost 1,000 fewer employed and 230 fewer unemployed over the month, which shows how seasonal the area is in nature of summer employment and how it changes as

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the months become colder. This is especially evident considering Walworth is the smallest of the triad of counties, and has shown the largest proportional monthly change within this region. The monthly decrease is a bit larger than usual as it usually moves only about one-tenth of a point lower. The unemployment rate is four-tenths of a point higher than last September's figure.

The industry data show 210 fewer jobs than in August, as expected. Services, retail trade and FIRE all showed the largest drops as the "end of season" reduction in employment has come upon the county. Industry figures for the next few months will subside as more of the seasonal employment ends. Most of this will be in services industries especially in the hospitality sectors.

Annual industry employment has only increased by 70 total jobs, which is the weakest yearly growth in both volume and proportion in the southeast region. In fact, it is the weakest annual growth for the month of September in many years in Walworth County. Most of this weak growth was saddled in the loss of 260 manufacturing jobs and a combined loss of 40 jobs in wholesale trade and FIRE. These losses were offset by an annual gain of 210 jobs in retail trade employment and very slight gains in the remainder of the services-producing industries. Construction employment continues to be fairly strong in Walworth and employment is up annually, making up for the year 2001, when construction employment tended to be at a deficit compared to the previous year for many of the months.

| September 2002 | Wisconsin | Kenosha County/MSA | Racine County/MSA | Walworth County | Southeast WDA |
|---|---|---|---|---|---|
| ***Civilian Labor Force**** | *3,050,161* | *83,197* | *94,345* | *55,901* | *233,443* |
| *Persons Employed* | *2,919,602* | *79,204* | *88,540* | *53,866* | *221,610* |
| *Persons Unemployed* | *130,559* | *3,993* | *5,805* | *2,035* | *11,833* |
| *Unemployment Rate* | *4.3%* | *4.8%* | *6.2%* | *3.6%* | *5.1%* |
| **Total jobs of all non-farm industries**** | 2,856,119 | 55,080 | 82,457 | 43,216 | 180,753 |
| **Goods Producing Jobs** | 707,922 | 14,436 | 25,589 | 11,484 | 51,509 |
| **Service Producing Jobs** | 2,148,197 | 40,644 | 56,868 | 31,732 | 129,244 |
| Construction & Mining | 135,742 | 3,013 | 4,146 | 2,320 | 9,479 |
| All Manufacturing | 572,180 | 11,423 | 21,443 | 9,164 | 42,030 |
| Transportation, Communications & Public Utilities | 133,191 | 2,060 | 2,576 | 1,675 | 6,311 |
| Wholesale Trade | 137,199 | 2,396 | 3,086 | 1,462 | 6,944 |
| Retail Trade | 508,713 | 11,266 | 14,484 | 8,189 | 33,939 |
| Finance, Insurance, and Real Estate | 153,642 | 1,379 | 2,425 | 1,372 | 5,176 |
| Services | 809,379 | 13,829 | 23,673 | 11,629 | 49,131 |
| All Government | 406,073 | 9,714 | 10,624 | 7,405 | 27,743 |
| ***Change from August 2002*** | | | | | |
| ***Civilian Labor Force**** | *-41,120* | *-240* | *-2,090* | *-1,200* | *-3,530* |
| *Persons Employed* | *-24,520* | *160* | *-1,270* | *-960* | *-2,070* |
| *Persons Unemployed* | *-16,590* | *-400* | *-830* | *-230* | *-1,460* |
| *Unemployment Rate* | *-0.5%* | *-0.5%* | *-0.7%* | *-0.3%* | *-0.5%* |
| **Total jobs of all non-farm industries**** | 3,620 | 820 | -20 | -210 | 600 |
| **Goods Producing Jobs** | -8,320 | -30 | -10 | -130 | -170 |
| **Service Producing Jobs** | 11,950 | 850 | -10 | -80 | 770 |
| Construction & Mining | -3,200 | -20 | 0 | -80 | -110 |
| All Manufacturing | -5,120 | 0 | -10 | -50 | -60 |
| Transportation, Communications & Public Utilities (TCPU) | 3,390 | 90 | 50 | 30 | 180 |
| Wholesale Trade | -1,180 | 10 | -10 | -10 | -20 |
| Retail Trade | -6,230 | -260 | -160 | -220 | -640 |
| Finance, Insurance, and Real Estate (FIRE) | -1,110 | -30 | -30 | -140 | -200 |
| Services | -3,960 | 320 | -20 | -610 | -310 |
| All Government | 21,030 | 720 | 150 | 880 | 1,750 |
| ***Change from September 2001*** | | | | | |
| ***Civilian Labor Force**** | *69,330* | *2,350* | *2,110* | *1,050* | *5,510* |
| *Persons Employed* | *51,130* | *1,670* | *2,030* | *810* | *4,500* |
| *Persons Unemployed* | *18,200* | *680* | *80* | *240* | *1,010* |
| *Unemployment Rate* | *0.5%* | *0.7%* | *0.0%* | *0.4%* | *0.3%* |
| **Total jobs of all non-farm industries**** | 15,120 | 420 | 780 | 70 | 1,270 |
| **Goods Producing Jobs** | -10,060 | 310 | 180 | -200 | 290 |
| **Service Producing Jobs** | 25,180 | 110 | 600 | 270 | 980 |
| Construction & Mining | 2,790 | 520 | 240 | 70 | 830 |
| All Manufacturing | -12,850 | -210 | -60 | -260 | -540 |
| Transportation, Communications & Public Utilities (TCPU) | -1,200 | -80 | 30 | 40 | -10 |
| Wholesale Trade | -310 | -150 | -360 | -30 | -540 |
| Retail Trade | 2,310 | 80 | 100 | 210 | 390 |
| Finance, Insurance, and Real Estate (FIRE) | 2,840 | -50 | 30 | -10 | -30 |
| Services | 27,120 | -390 | 450 | 30 | 80 |

*Questions and comments regarding this publication are welcome. Direct to:* ***Eric Grosso, State Labor Market Economist***
201 E. Washington Avenue, Room G200, Madison, Wisconsin 53703
608-266-7034 608-266-5887(FAX) E-mail: eric.grosso@dwd.state.wi.us
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